

Staff Summary Report



Council Meeting Date: 5/31/2012

Agenda Item Number: 5B9

SUBJECT: Request approval of one-year contracts with four one-year renewal options to Roberts Tire Sales and Redburn Tire Company for tire retreading services used by the Public Works Department.

DOCUMENT NAME: 20120531fsta08 PURCHASES (1004-01)

COMMENTS: The total cost of these two contracts will not exceed \$150,000 during the initial one-year contract period.

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LEGAL REVIEW BY: Dave Park, Assistant City Attorney, 480-350-8907

DEPARTMENT REVIEW BY: Ken Jones, Finance & Technology Director, 480-350-8504

FISCAL NOTE: (RFP12-132) Sufficient funds have been appropriated in the General Fund – cost center 3262 – for the anticipated expenditure in the current fiscal year.

RECOMMENDATION: Award the contracts.

ADDITIONAL INFO: The City of Tempe issued a Request for Proposal (RFP) to establish contracts for tire retreading services to be used by the Fleet Division of Public Works.

When a tire has reached the end of its service life on a vehicle, it must be replaced. In order to lower costs associated with tire replacement, the tires which are no longer serviceable on vehicles are forwarded to a retreading facility which has the necessary equipment to renew a large majority of the tires.

A retread is defined as a previously used tire which has gone through a remanufacturing process in order to extend its useful life.

Retreading starts with a safety inspection of the used tire that Tempe forwards to the retreading facility. If the used tire passes inspection, the old tread is buffed off and a new rubber tread is applied to the bare "casing" using specialized machinery.

Retreads are significantly cheaper in cost when compared to new tires and are used widely in fleet operations. Additionally, retreading is the most environmentally friendly way of recycling used tires.

Evaluation Process

Eight (8) proposals were received and scored by a committee comprised of Public Works and Procurement Staff.

The responding firms were evaluated based on the following criteria – all subcategories carry

equal weight unless noted otherwise.

Award Criteria		Weight
1	Cost	8 (36%)
2	Suitability	5 (23%)
	a Acceptability of retread compound	
	b Acceptability of procedures utilized	
	c Conformity to material specifications	
	d Cost per mile	
3	Qualifications	4 (18%)
	a Certification of facility	
	b Reputation of firm	
	c References	
	d Turnaround time	
	e Pickup schedule	
4	Warranty	3 (14%)
5	Overall response to RFP	2 (9%)
	a Quality, composition and completeness	
	b Comply with Terms and Conditions	

Results of Scoring

Firm	Score	Cost			
		11R22.5 Tire	315/80R22.5 Tire	Section Repair	Total cost per RFP
Roberts	197.18	\$125.00	\$136.00	\$20.00	\$139,850.00
Redburn	179.53	\$146.81	\$173.78	\$20.00	\$175,234.50
Coyote	179.28	\$135.00	\$154.00	\$25.00	\$158,025.00
GCR	172.46	\$163.65	\$202.40	\$13.25	\$200,231.25
Phoenix (1)	171.90	\$135.00	\$150.00	No Bid	\$147,750.00
Purcell	167.05	\$190.00	\$219.00	\$48.00	\$227,850.00
Wingfoot	166.89	\$175.00	\$185.00	\$29.50	\$191,612.50
Phoenix (2)	162.21	\$139.00	\$184.00	No Bid	\$177,250.00

Phoenix Tire submitted two different tread compounds but did not provide all services needed by the City – specifically, section repair services – which lowered their overall score.

Best and Final Offers

Best and Final offers were sent to the three top scoring firms to insure that the best pricing had been submitted. There were no significant price changes offered and the ranking of firms did not change.

Firm	Score	Cost			
		11R22.5 Tire	315/80R22.5 Tire	Section Repair	Total cost per RFP
Roberts	202.58	\$124.00	\$136.00	\$20.00	\$139,700.00
Redburn	184.87	\$146.81	\$173.78	\$20.00	\$175,234.50
Coyote	184.30	\$133.00	\$152.00	\$25.00	\$156,025.00

The retread compound utilized by Coyote Tire has been in service for the City for several years and will serve as a baseline to test other retread compounds – specifically Oliver retreads, offered by Roberts Tire, and Bandag retreads, offered by Redburn Tire. The City will test the longevity of these different tread compounds in actual day to day conditions to determine if they will provide a longer useful life to potentially generate additional cost savings in the future.

Recommendation

It is recommended that contracts be awarded to Roberts Tire and Redburn Tire, the two high scorers.